


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2002-403-G - ORDER NO. 2003-78

FEBRUARY 13, 2003

IN RE:	Application of South Carolina Pipeline Corporation for Approval of an Agreement for the Provision of Resale Firm Sales Service and Experimental Firm Transportation Service Between South Carolina Pipeline Corporation and York County Natural Gas Authority, Chester County Natural Gas Authority, and Lancaster County Natural Gas Authority.))))))))))	ORDER APPROVING AGREEMENT
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of South Carolina Pipeline Corporation (Pipeline, the Company, or SCPC) for approval of an Agreement for the provision of Resale Firm Sales Service and Experimental Firm Transportation Service between the Pipeline and York County Natural Gas Authority, Chester County Natural Gas Authority, and Lancaster County Natural Gas Authority (collectively, the Authorities).

The Commission's Executive Director instructed the Company to publish a Notice of Filing in newspapers of general circulation. The Company complied with the instructions of the Executive Director. No Protests were received, however, two Petitions to Intervene were received, one from Transco and one from Nucor Steel.

Transco did not oppose the Application, nor did it request a hearing. Transco did seek to inform the Commission that certain of the transportation and storage services

which SCPC seeks to release and assign will require FERC approval. We hereby recognize this matter.

Nucor Steel does not object to the approval of the contract for the benefit of the Authorities, as long as Nucor's rights are adequately protected as set forth in its Stipulation with the Company.

Under the terms of the Agreement, SCPC is to provide the Authorities with a combination of Distributor Firm Service (DS-1 Service) and, on a pilot or experimental basis, Resale Firm Transportation Service (RFT Service) during an initial two-year period. The Initial Period is subject to automatic extensions of one year unless the Authorities give six-months written notice of their election to convert all service to RFT Service, or to a generally available rate and classification of service under SCPC's then-existing Gas Tariff, or to negotiate a mutually agreeable alternative. The total minimum firm demand under the Agreement is 50,000 dekatherms per day, which is an increase from the Authorities' current combined firm obligation of 42,400 dekatherms per day. DS-1 service will be subject to rate schedules in SCPC's Gas Tariff. RFT service is not offered under any rate schedule of general applicability. In conjunction with the RFT Service, SCPC may accept the Authorities' request to schedule quantities of gas for transportation above the RFT Service Maximum Daily Quantity, such scheduled authorized overrun to be known as "RFT-AO Service."

The Agreement provides that SCPC will permanently release to the Authorities certain upstream transportation and storage assets and will temporarily release, during the Initial Period, other transportation and storage assets. The Agreement also provides that,

unless otherwise agreed to by SCPC, the Authorities will not participate in the Industrial Sales Program Rider during the term of the Agreement.

S.C. Code Ann. Section 58-5-240 (G)(Supp. 2002) states in part that the Commission may allow rates or tariffs to be put into effect without a hearing upon order of the Commission when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the public utility, or when the rates or tariffs are for experimental purposes. We believe that all three of these criteria are met in the present case, and therefore we will proceed to rule on this matter without a hearing.

We have examined the terms and conditions of the proposed Agreement and find that approval of the Agreement is appropriate under these circumstances. The RFT portion of the contract will be beneficial to both the Authorities and the Company. The Authorities will be able to transport gas at a reasonable rate, and the Company will continue its progress in the development of its experimental firm transportation services. In short, the Agreement is beneficial to all parties and to the public at large. We therefore approve the Agreement as well as the terms of SCPC's Stipulation with Nucor Steel.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)